

## Message Text

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PAGE 01 STATE 117752  
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FM SECSTATE WASHDC  
TO AMEMBASSY BUCHAREST  
INFO AMEMBASSY BELGRADE

C O N F I D E N T I A L STATE 117752

FROM EUR

E.O. 11652: GDS

TAGS: PFOR, SHUM, EAID, US, RO

SUBJECT:LINKAGE OF HUMAN RIGHTS AND US POSITION IN IFIS

1. THE DEPARTMENT HAS BEEN CONSIDERING HOW TO FULFILL THE MANDATE WHICH IT HAS BEEN GIVEN BY THE PRESIDENT TO USE THE UNITED STATES' "VOICE AND VOTE" TO ADVANCE THE CAUSE OF HUMAN RIGHTS IN ALL OPERATIONS OF THE INTERNATIONAL FINANCIAL INSTITUTIONS (IFIS) IN WHICH WE PARTICIPATE. THE MANDATE WAS MENTIONED IN THE PRESIDENT'S LETTER TO SENATOR HUMPHREY, DATED APRIL 18, IN WHICH THE PRESIDENT INDICATED HIS SUPPORT FOR THE LESS-BINDING PROVISIONS OF THE HUMPHREY-CASE AMENDMENT AND HIS OPPOSITION TO THE HARKIN AMENDMENT TO THE IFI AUTHORIZATION BILL. THE LATTER WOULD REQUIRE THE US TO VOTE AGAINST ANY IFI LOAN TO A COUNTRY WHERE A CONSISTENT PATTERN OF GROSS VIOLATIONS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 117752

OF INTERNATIONALLY RECOGNISED HUMAN RIGHTS IS ESTABLISHED (AS IS ALREADY THE CASE IN THE AFRICAN DEVELOPMENT BANK AND THE IDB). COPY OF THIS LETTER BEING HAND-CARRIED TO EMBASSY BY STEVE HAAS.

2. ALTHOUGH SUCH LINKAGE BETWEEN HUMAN RIGHTS AND WORLD BANK LOANS HAS NOT YET BEEN LEGISLATED, THE DEPARTMENT

HAS ALREADY TAKEN STEPS TO IMPLEMENT THE PRESIDENT'S

COMMITMENT IN THIS AREA. IN RECENT VOTES INVOLVING WORLD BANK LOANS TO ETHIOPIA AND BENIN, THE UNITED STATES HAS ABSTAINED, AND IN ANOTHER INSTANCE IT PERSUADED ARGENTINA TO WITHDRAW A LOAN APPLICATION. IN OTHER CASES WE WILL BE MAKING A DEMARCHE TO THE RECIPIENT GOVERNMENT ABOUT OUR CONCERNS OVER HUMAN RIGHTS VIOLATIONS.

3. THIS PAST WEEK THE SITUATION IN ROMANIA HAS COME UP IN CONNECTION WITH A SCHEDULED VOTE IN THE BANK (MAY 31) ON A DOLLARS 38 MILLION LOAN FOR THE BRASOV BEARINGS PLANT. EUR HAS SUCCEEDED IN SECURING DEPARTMENT-WIDE APPROVAL FOR US SUPPORT OF THE LOAN, BUT SUCH APPROVAL WAS BASED ON A COMMITMENT THAT WE WOULD RAISE WITH THE GOR THE QUESTION OF THE ROMANIAN HUMAN RIGHTS PERFORMANCE IN CONNECTION WITH OUR POSITION IN FUTURE WORLD BANK VOTES. WHILE WE HAVE ALREADY STATED OUR STRONG RESERVATIONS ABOUT THE APPROPRIATENESS OF THIS PARTICULAR FORM OF LEVERAGE WITH ROMANIA, PARTICULARLY IN LIGHT OF OUR CONTINUING USE OF THE MFN LEVERAGE, WE SEE NO ALTERNATIVE TO ADDRESSING THIS MATTER PROMPTLY TO DECIDE HOW THIS LINKAGE CAN BE PRESENTED TO THE GOR IN A MANNER THAT DOES MINIMUM DAMAGE TO OUR RELATIONS AND IS NOT COUNTERPRODUCTIVE TO THE AIM OF OUR DEMARCHE. WE WOULD WELCOME THE EMBASSY'S VIEWS ON TIMING, VENUE AND LEVEL OF ANY SUCH APPROACH.

4. IN THIS CONNECTION, WE HAVE BEEN TASKED WITH PREPARA-  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 117752

TION OF A HUMAN RIGHTS ACTION PROGRAM ON ROMANIA (AND OTHER EE COUNTRIES) WHICH WE WILL PROVIDE IN DRAFT TO THE EMBASSY FOR COMMENT.

5. FOR BELGRADE. IN VIEW OF THIS ISSUE'S APPLICABILITY TO YUGOSLAVIA, WE ARE ALSO ALERTING YOU. (THE NEXT WORLD BANK VOTE INVOLVING YUGOSLAVIA IS SCHEDULED FOR JUNE 28.) CHRISTOPHER

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NNN

## Message Attributes

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